

Frequently Asked Questions

The questions and answers below will be very helpful in writing a good pre-application. You will find specific guidelines on how to draft your pre-application in the correct form. In addition, you will also find out if your project qualifies for Power Fund money before writing a pre-application.

1) What is the Power Fund?

The Power Fund is a financial assistance program established by the 2007 Legislative Session. The fund was created to further the goals of increasing the research, development, production, and use of biofuels and other sources of renewable energy improve energy efficiency and reduce greenhouse gas emissions. It is designed to encourage, support, and provide for research, development, early commercialization, and the implementation of energy technologies and practices that that will reduce Iowa's dependence on foreign sources of energy and fossil fuels. The Power Fund is a tool in the Iowa Energy Independence Plan to help improve economic competitiveness, and to educate the public about new technologies and approaches to a clean and energy independent state.

2) Who can apply for the fund?

Businesses, nonprofit organizations, educational institutions, units of state and local government, and individuals conducting business, research, or programs in Iowa may apply for Power Fund moneys. The Power Fund is designed to help develop new commercialization, research and development, energy efficiency, and renewable energy projects on a broad basis. The Power Fund is not designed to fund personal home-scale energy efficiency projects or a specific business where the benefit from the project will not be realized by those other than the applicant.

3) Does my project qualify for the fund?

The areas of interest for the Power Fund include biofuels, renewable energy, energy efficiency, commercialization, and education. Specifically, fund moneys will be targeted towards projects that demonstrate the actual or potential development of the following: 1) the utilization of crops and products grown or produced in Iowa that maximize the value of crops used as feedstock in bio-manufacturing products and as co-products 2) the reduction of greenhouse gas emissions and carbon sequestration is another area of interest. 3) commercialization of technology and product development for sale in the national and international market, and 4) alternative and renewable energy and increased energy efficiency. The Power Fund will most likely not be used to fund existing technologies that are proven to work, but rather a technology that is being enhanced, or projects through which the applicant can demonstrate adoption by others and market transformation. Every project will be evaluated as to its benefits for Iowa, and how those benefits can be replicable absent more Power Fund investment.

4) What project costs are eligible for funding?

Generally, no more than 10% of the funds awarded per application may be used for indirect costs. Leverage of the project is highly desired, but not required. The board has the discretion to determine the eligible uses of the funds. The Due Diligence committee will also determine if the requested funds are appropriate for the work being proposed. The fund should be used primarily to fund the research and/or the development of a project.

5) What is considered as cost share, and how much is required for the Power Fund?

Cost share is a consideration for all Power Fund proposals, but not defined in percentages. Generally a hard dollar match is more favorable than in-kind contributions, but both are acceptable. There is no minimum amount of match necessary for any type of proposal (education, commercialization, research and development, or other), but good proposals will have high percentages of cost share and some amount of hard dollars.

The board will consider whether the applicant has available financial resources in addition to the Fund to support the proposal financially. In assessing available financial resources, the board may consider both private and public funds as available financial resources; require a match of available financial resources for commercialization proposals; and/or give weight to available financial resources for research, education, or other undesignated proposals.

Previously spent dollars, State of Iowa funding (from other sources like the Department of Economic Development, Department of Natural Resources, etc.) or intellectual property and patents are not considered as cost share.

6) What are the goals of the fund?

The goals of the fund are to provide a building block for the Iowa Energy Independence plan. Iowa is already on a good track for energy independence but the Power Fund should aid in funding research and development, further energy efficiency, and early commercialization to help spark the movement of Energy Independence in the State of Iowa.

7) How much funding is appropriated yearly to the Power Fund?

The Legislature has currently appropriated \$25 million every year for four years, FY 2008, FY 2009, FY 2010, and FY 2011.

8) Where do I turn in my application?

The pre-applications need to be delivered in two forms to be considered submitted. One electronic copy should be sent to oeipowerfund@iowa.gov. In addition, **twelve hard copies** should be mailed or delivered to:

Office of Energy Independence
ATTN: Brian Crowe
Lucas State Office Building
321 East 12th Street
Des Moines, IA 50319

9) How are applications typically processed and when must an application be received?

Generally, applications are reviewed within two months after they are received. Pre-applications are due by the first of every month. If they are received after close of business on the 1st of that month, the applications will not be reviewed until the following round or later. If the 1st of the month falls on a weekend, the application deadline moves to the next business day at the close of business. The Office of Energy Independence (OEI) may alter the review dates as necessary to manage the application process. OEI will make every effort to adequately contact applicants in advance to inform them of process and timeline.

10) What is the next step after pre-app approval?

If an application is approved by the Due Diligence Committee (DDC) the applicant will be asked to prepare a presentation and a full application. After submitting the full applications, the applicant will present the project at the next Due Diligence Committee meeting. Full applications are due to the Office of Energy Independence by the first of each month. If the full application is approved by the Due Diligence Committee the applicant will then present the project to the Power Fund Board for consideration. The Power Fund Board can vote to approve, negotiate, table or deny the application.

11) What if my pre-app is not approved by the Due Diligence Committee to be forwarded to the Power Fund Board?

An applicant is not precluded from reapplying for funding through the Power Fund, however, it is highly recommended that an applicant who chooses to reapply reviews the DDC voting member comments, confers with staff of OEI and ensures that the resubmitted pre-application clarifies and refines any previously identified deficiencies or comments.

12) What is the correct format for submitting my application?

Each pre-application should be type written with the selected information in the text fields fully filled out. Use clear and concise language when completing the application. Any inaccurate information could be grounds for disqualification. In addition to completing the application in its entirety, a one paragraph summary of your project should be included in the pre-application. This paragraph should cover the key points to your project, technology, etc and is viewed as the impact statement. OEI may return any application that has not met the application criteria or is not completed correctly.

13) Will my pre-application be held confidential?

All information submitted to the Office of Energy Independence in the pre-application is governed by the Public Records Law under Iowa Code Chapter 22. We encourage you to review this chapter and our office's Administrative Rules before submitting confidential information. Public records may be either open records or confidential records. All open records are available to the public for examination and copying; confidential records may be withheld from the public. If you believe some of the information submitted to OEI on the pre-application form is confidential under a specific provision of law or a court order, you may request confidentiality for those portions of the pre-application form. To request confidentiality, please submit a request in writing stating the legal and factual basis for confidentiality and your name, address and telephone number. Attach to the request a pre-application form with the confidential information deleted. Submit a second pre-application form with all of the information included.

How the Due Diligence Committee evaluates a good application

Every project will be reviewed by the Due Diligence Committee with these questions in mind.

- 1) How innovative is the project or if this type of project has been done before, is there still a need for additional work.
- 2) Does this project have any technological or environmental benefits or concerns?
- 3) How qualified are the people or businesses to complete this project?
- 4) Is the amount of proposed funding appropriate to the work being done?
- 5) What form of cost share is being proposed?
- 6) Is the cost share significant enough to show commitment from partners or efficacy of the proposed technology project?
- 7) Is the cost share guaranteed?

- 8) How long will it take the project to become monetarily self sufficient?
- 9) Is the project replicable without future Iowa Power Fund assistance?
- 10) Should the Power Fund be used for this project, or would other funding sources be more appropriate?
- 11) If the project is for a private/for profit company what is the benefit to Iowa and the Iowa Power Fund? Should this project be funded via a grant? Would royalty sharing be possible if funded through a grant or is a loan instead of a grant more appropriate?
- 12) Are there any other reasons you think this project is important?